How States Tax Business

Forty-four states tax corporate income.

- Thirty-one states impose a single (flat) tax-rate
- Flat-tax rates varies from a low of 4.0% (Kansas) to a high of 9.99% (Pennsylvania)
- Thirteen states have some form of graduated corporate income tax rates
- The number of brackets varies from as few as two tax brackets (Nebraska and Oregon) to as many as ten brackets (Alaska)

In addition to levying a corporate income tax, all states levy some type of additional business taxes (franchise, license, etc.)

- Twelve states that levy a corporate income tax generate at least twice as much revenue from these other taxes as they do from their corporate income taxes
- Twenty-two states generate an amount that's roughly the same as they collect in corporate income taxes
- Five states collect considerably more from their corporate income taxes than these other taxes

Six states do not have income-based taxes on corporations.

- Nevada does not tax corporate income
- Ohio eliminated its corporate income tax for all but a few corporations and replaced it with a gross receipts tax known as the Commercial Activities Tax (CAT). Financial institutions pay a franchise based on net worth
- South Dakota does not tax corporate income, although financial institutions pay a franchise tax
- Texas imposes a franchise tax (or margin tax) that's similar to a gross receipts tax
- Washington does not tax corporate income but levies a gross receipts tax
- Wyoming does not tax corporate income